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IN THE

Supreme Court of the United States

MITZI INTERNATIONAL HANDBAG & ACCESSORIES, LTD.,

Petitioner,

v.

ROMAG FASTENERS, INC.,

Respondent.

ON PETITION FOR WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE FEDERAL CIRCUIT

REPLY BRIEF IN SUPPORT OF PETITION FOR WRIT OF CERTIORARI

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CORPORATE DISCLOSURE STATEMENT IN ACCORDANCE WITH RULE 29.6 OF THE RULES OF THE SUPREME COURT OF THE UNITED STATES

The disclosure statement at p. ii of Petitioner's June 12, 2006, Petition for Writ of Certiorari is still accurate.

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INTRODUCTION

Romag presents no valid challenge to the two basic considerations here that warrant Supreme Court review.

First, contrary to Romag's assertions, there are situations that warrant making an exception to the general rule that a Rule 50(a) motion at the close of the evidence is a prerequisite to a Rule 50(b) motion. This case presents exactly the sort of procedural fact pattern that warrants an exception. It is consistent with the decisions of this Court and the Circuit Courts to permit a dispositive issue of law to be first brought to the court's attention on a Rule 50(b) motion when, as here, the purposes of the Rule are otherwise satisfied. Romag does not even attempt to challenge Mitzi's demonstration that both this Court and the Circuit Courts have interpreted and applied Rule 50's requirements not literally and categorically, but consistent with its purposes.

Mitzi's law of the case argument plainly was not available until after the close of the evidence, and after Rule 50(a) motions were invited, considered and decided by the court. In granting summary judgment with respect to the '926 patent, the District Court had held:

> "Even a cursory examination of the samples establishes that they do not contain attachment legs which can be rotated using only one's hands. Accordingly, even if the attachments legs could be rotated with the assistance of hand tools, no reasonable juror could find that they do not 'resist' rotation." *Romag Fasteners, Inc. v. Mitzi Int'l Handbag & Accessories Ltd.*, 323 F. Supp. 2d. 512, 523 (S.D.N.Y. 2004).

Then, in construing Claim 3 of Romag's '126 patent at trial, the District Court gave the following instruction to the jury:

> "For purposes of this lawsuit, 'rotatable' means capable of being rotated and not rigidly secured. The pair of legs

> is not rigidly secured if it does not resist rotation". (J.A. 737)[1].

The argument that the combined effect of the District Court's summary judgment ruling and jury instructions mandates a finding of non-infringement was thus not available to Mitzi until after the court amended its construction of the '126 patent. The next available opportunity under the rules to bring this argument to the court's attention was in a post-trial Rule 50(b) motion.

In response, Romag asserts that the amended claim construction "did not substantially change the initial claim construction". (Opp. at 3.) That is wrong. Specifically, the amended construction of the '126 patent included a requirement not included in the initial construction – that the pair of attachment legs must be "not rigidly secured", meaning it "does not resist rotation". (J.A. 737.) Held against the District Court's summary judgment decision, that additional requirement mandated a judgment of non-infringement with respect to the '126 patent as a matter of law. (Pet. at 6-8.) Romag's suggestion that the change was not "substantial" is absurd, as the change meant the difference between not quite matching and precisely matching what the court had previously ruled as a matter of law were the characteristics of the accused snaps.

Romag also asserts that Mitzi had "sufficient opportunity" to raise its law of the case argument in a Rule 50(a) motion. Romag cites no authority, however, to support their assertion that a Rule 50(a) motion would have been procedurally proper at any point after the amended claim construction was articulated by the court. In fact, Mitzi

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[1] "J.A. __" refers to the Joint Appendix filed in the Court of Appeals for the Federal Circuit; "Pet. at __" refers to pages of the Petition for Writ of Certiorari; "Opp. at __" refers to pages of Respondents' Brief in Opposition.

raised its argument at the next opportunity specifically afforded it under the Rules – in a post-trial Rule 50(b) motion.

Second, Romag argues that certiorari should be denied because the decision below involves only a unique fact-bound application of settled law, with no implications beyond the parameters of this case. Again, Romag is wrong. This petition raises for this Court's consideration an issue of critical importance to the fair and uniform administration of federal trial and post-trial procedure, specifically as it relates to patent actions in district courts throughout the country and in the Federal Circuit. Neither the express language of Rule 50 nor current caselaw provides guidance to litigants as to how to navigate the procedural issue presented here – *i.e.*, when grounds for judgment as a matter of law arise after the close of the evidence and after Rule 50(a) motions have been invited and decided by the court. This guidance is particularly important in the context of patent litigation where, after this Court's decision in *Markman v. Westview Instruments*, 517 U.S. 370 (1996), courts are free to and often do construe patent claims throughout the course of proceedings, including in framing jury instructions. (Pet. at 13-14.)

Furthermore, as made clear in Romag's opposition, this Court should take this opportunity to clarify the requirements of this Court's decision in *Unitherm Food Sys., Inc. v. Swift-Eckrich, Inc.*, 546 U.S. ___, 126 S. Ct. 980 (2006), lest the decision be read, as Romag suggests, in a manner that is inconsistent with the long-standing requirement that there can be no waiver where there is not the "intentional relinquishment" of a "known right". *U.S. v. Olano*, 507 U.S. 725, 733 (1983).

REASONS FOR GRANTING THE WRIT

I. There Are Exceptions to the General Rule that a Prior Rule 50(a) Motion Is a Prerequisite to a Post-Judgment Rule 50(b) Motion, and Such an Exception Is Warranted in this Case.

The District Court's decision in this case, affirmed by the Federal Circuit without an opinion, is a consequence of the procedural accident that the grounds on which Mitzi moved for judgment as a matter of law did not exist when a Rule 50(a) motion would have been procedurally appropriate. As Mitzi argued in its Petition, the rigid application of Rule 50 employed by the District Court and the Federal Circuit in this case produces an illogical and manifestly unjust result. (Pet. at 10-15.)

Despite Romag's assertion to the contrary (Opp. at 4), Mitzi does not dispute that by failing to bring a Rule 50(a) motion at the close of the evidence, a party can, and, as a general matter, does, waive the right to bring a subsequent motion pursuant to Rule 50(b). (Pet. at 10-11.) However, Romag is wrong that a Rule 50(b) motion "deals *only* with renewed motions for JMOL" and "applies *only* where a court does not grant a JMOL motion before the case is submitted to the jury". (Opp. at 6 (emphasis added).) When, as here, the grounds for that motion arise after a Rule 50(a) motion would be procedurally appropriate, the next opportunity specified by the Rules for a party to move the court is in a post-verdict Rule 50(b) motion, and the general prohibition against raising arguments for the first time after trial does not and ought not apply. (Pet. at 10-12; 18-20); *see also Reed v. Ross*, 468, U.S. 1, 16 (1984) ("if novelty were never cause [for failure to raise an argument], counsel . would be obliged to raise and argue every conceivab . . . claim, no matter how far fetched, in order to preserve a right for . . . relief upon some future unforeseen development" (internal citation omitted)). Thus, for example, in *Pierce v. S. Pac. Transp. Co.*, 823 F.2d 1366 (9th Cir. 1987), the Ninth Circuit

held that a Rule 50(a) motion at the close of evidence was not necessary to preserve the Rule 50(b) motion that was premised not on a review of the sufficiency of the evidence but on inconsistencies in the answers given in the jury's special verdict that could not have been known at the close of the evidence.

Romag's arguments to the contrary are not only wrong, they reinforce Mitzi's argument that this case warrants an exception to the general rule.

First, Romag argues that bringing a potentially dispositive issue of law to the district court's attention, as an initial matter, in a post-verdict Rule 50(b) motion is strictly impermissible because it would "preclude[] the non-moving party from curing the defects and thereby obtaining its constitutional right to a jury trial." (Opp. at 5.) Romag correctly identifies the two purposes that animate Rule 50 — protecting the Seventh Amendment right to trial by jury, and ensuring that the opposing party has enough notice of any alleged deficiencies in proof to permit an attempt to cure it before resting. (Pet. at 16-19.) Romag is incorrect, however, that in all cases those purposes dictate the categorical enforcement of the waiver rule. Rather, consistent with the decisions of this Court, the Circuit Courts have held that "rigid application of [Rule 50(b)] is inappropriate . . . where such application serves neither of the rule's rationales". *FSLIC v. Reeves*, 816 F.2d 130, 138 (4th Cir. 1987); *Pierce*, 823 F.2d at 1369; (Pet. at 19-21).

Here, Seventh Amendment considerations do not apply because the issue at hand is a question of law that was properly directed to the district court and not the jury. *See Benson v. Aliphin*, 786 F.2d 268, 274 (7th Cir. 1986). Concerns of notice are also inapposite because the defect is legal rather than evidentiary – the law of the case compels a finding of non-infringement here regardless of the proof offered by Romag, and consideration of Mitzi's motion

would thus not have impaired Romag's procedural right to cure evidentiary deficiencies. *See, e.g., Baskin v. Hawley*, 807 F.2d 1120, 1134 (2d Cir. 1986) ("[T]he very purpose of Rule 50(b)'s requiring a prior motion for a directed verdict is to give the other party an opportunity to cure the defects in proof that might otherwise preclude him from taking the case to the jury." (internal quotation marks and citations omitted)).[2] Notably, Romag does not even hint at what additional evidence it could possibly have presented to cure the "defects" raised by Mitzi's Rule 50(b) motion.

Second, Romag argues that Mitzi had "sufficient opportunity" to make its law of the case argument on a Rule 50(a) motion and plainly failed to do so, thereby waiving its right to bring a Rule 50(b) motion. (Opp. at 7.) Again, Romag is wrong.

Romag's assertion that "Mitzi could have made a Rule 50(a) motion at the close of evidence and before submission of the case to the jury based on the *initial* claim construction made as a result of a summary judgment motion" (Opp. at 2, 7 (emphasis added)), is nonsensical, and demonstrates that Romag either misunderstands or intentionally has mischaracterized Mitzi's argument.

The grounds for Mitzi's motion did not exist until after the claim construction was amended – that is, Mitzi could not have made its law of the case argument until *after* the District Court set forth its amended claim construction in the jury instructions. (Pet. at 8-9.) Contrary to Romag's repeated assertions, Mitzi could not have made the same argument "based on the initial claim construction" (Opp. at

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[2] Romag's attempts to distinguish a handful of the legion of cases cited by Mitzi to support this interpretive approach fail, and again only highlight that courts should and do make exceptions to allow Rule 50(b) motions where consistent with the purposes of the Rule. (Opp. at 5 n.1.)

7), because that initial claim construction did not include the dispositive requirement that the attachment legs must be "not rigidly secured" (Pet. at 8). Indeed, as noted in the Petition (Pet. at 9 n.3), even if Mitzi had made an earlier motion for judgment as a matter of law, such a motion would not have been specific enough to preserve Mitzi's ability to raise its law of the case argument after trial. *See* Fed. R. Civ. P.50(a)(2) ("Such a motion shall specify ... the law and the facts on which the moving party is entitled to the judgment."); *Lambert v. Genessee Hosp.*, 10 F.3d 46, 54 (2d Cir. 1993) (earlier motion preserves only those arguments "specifically raised in the prior motion") (internal citation omitted).[3]

Romag also asserts that "Mitzi had the opportunity to seek JMOL once the [jury] instruction was finalized" and the revised claim construction was articulated by the court, but before the jury was sent to the jury room for deliberations. (Opp. at 7-8.) Romag correctly notes that subsection (a) of Rule 50 states that "[m]otions for judgment as a matter of law may be made at any time before submission of the case to the jury", but cites no authority for its assertion that "a case normally is submitted to the jury when the jury is sent to the jury room for deliberations." (Opp. at 6.)[4] In fact, as

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[3] Romag's attempt to make something of the fact that Mitzi did not object to the proposed jury charge is similarly misplaced. (Opp. at 3.) Since the jury instruction was favorable to Mitzi – so favorable that it required entry of judgment as a matter of law – it would have made no sense for Mitzi to object to it. Indeed, it was Romag that objected to the relevant language in the court's claim construction, plainly realizing that such a construction would be fatal to its claim of infringement. (*See* J.A. 682-684.)

[4] Romag merely notes that in some cases, Rule 50(a) motions have been made and granted after the jury has retired but before deliberations have begun, citing 9 James W. Moore et. al., *Moore's Federal Practice* §50.20[1] (2001). (Opp. at 6.) Indeed, in the one case cited by *Moore's* for this proposition, the court describes a motion made after the jury has begun deliberations as "untimely" but allows its grant to stand, noting

Mitzi explained in its Petition, subsection (b) of Rule 50 equates "submission of the case to the jury" with "the close of all the evidence". Fed. R.Civ. P. 50(b); (Pet. at 12). The District Court did not articulate its new claim construction of the '126 patent until after it stated, "Members of the jury, that concludes the presentation of evidence in this trial", (J.A. 666), and moments later stated to the parties, "I will take motions now" (J.A. 668). Therefore, the plain language of Rule 50 suggests that the period during which a Rule 50(a) motion would have been timely had passed before the grounds for Mitzi's motion for judgment as a matter of law became available, because the case had already been "submitted to the jury".

As Mitzi explained in its Petition (Pet. at 11-12), while counsel could have sought leave of the court to file an undetermined motion during the time highlighted by Romag, in a form and manner not specified by the Rules, the right (and obligation) to make such a motion is not clear from the text of the Rule. As such, Mitzi's failure to have taken those novel and extraordinary steps can hardly be construed as an "intentional relinquishment or abandonment of a known right" that could have waived its ability to have a dispositive issue of law considered by the court. *See Olano*, 507 U.S. at 733.

This Court should take this opportunity to provide litigants with necessary guidance regarding how to navigate Rule 50 in this context.

"we have been willing to excuse a failure to strictly comply with the requirements of Fed.R.Civ.P. 50 so long as the purposes of the rule are satisfied". *Serna v. City of Antonio*, 244 F.3d 479, 481-82 (5th Cir. 2001).

II. This Court Should Grant Certiorari to Clarify Rule 50 and its Recent Decision in *Unitherm*.

In its Petition, Mitzi explained that although this Court has never addressed the question whether and to what extent an issue can be raised as an initial matter on a Rule 50(b) motion, this Court's Rule 50 decisions, including most recently its decision in *Unitherm*, and Circuit Court decisions addressing waiver in the Rule 50(b) context are consistent with Mitzi's position.

Romag's argument that *Unitherm* does not abrogate Rule 50(b)'s requirement misses the point. In *Unitherm*, this Court held that failure to renew a pre-verdict 50(a) motion in a post-verdict 50(b) motion precluded the appellate court from reviewing the sufficiency of the evidence on appeal where the party also failed to move for a new trial. 126 S. Ct. at 987. As Romag notes, this Court expressed concern that to hold otherwise could potentially pose Seventh Amendment concerns. *Id.* at 986 n.4. While attention to the purposes of the Rule required this Court, in *Unitherm*, to require a 50(b) motion prior to appeal, the decision does not require the categorical application of a rule of strict waiver in all Rule 50 contexts. Rather, *Unitherm* appears once again to ratify the interpretive approach used by Circuit Courts which, incorporating this Court's "principles of fairness" into their own decisions regarding Rule 50, have taken a purpose-oriented approach to the application of the pre-verdict motion requirement and held that where the purposes of Rule 50 are satisfied, review of an issue in a Rule 50(b) motion that was not raised in a Rule 50(a) motion at the close of the evidence is indeed proper. *See, e.g., FSLIC*, 816 F.2d at 137-38; *Pierce*, 823 F.2d at 1369; (Pet. at 19-21).

This Court should take this opportunity to clarify, consistent with the Circuit Courts, how the Rule's articulated purposes dictate the application of Rule 50(b) in this context.

CONCLUSION

For the foregoing reasons, this Petition for a Writ of Certiorari should be granted to review the decision of the Federal Circuit Court of Appeals.

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